

INTRODUCTION

FHA announces the sale of a portfolio of mortgage loans secured primarily by multifamily properties. Additionally, the portfolio includes mortgage loans secured by healthcare properties, including assisted living, congregate care and hospitals. The portfolio contains performing, sub-performing and nonperforming mortgage loans. The majority of the mortgage loans were assigned to the U.S. Department of Housing and Urban Development (“HUD”) under provisions of the National Housing Act. The mortgage loans are being sold servicing-released and *without* FHA insurance.

PRELIMINARY PORTFOLIO

(as of 9/30/2000)

Approximate principal balance:	\$800,000,000
Total number of loans:	180
Multifamily loans:	\$600,000,000
Healthcare loans:	\$200,000,000

PRELIMINARY SALE SCHEDULE

Bid Packages Available	October 23
Due Diligence Room Opens	October 25
Due Diligence Room Closes	November 28
Bid Date	November 29
Closing Date(s)	December 11 - 20

ORDERING A BID PACKAGE

Bid packages will be available free of charge to Qualified Bidders on or about October 23, 2000. The bid package contains background information on the FHA multifamily and healthcare loan sale, summary information on the MHLS 2000-1 loan portfolio, detailed bidding instructions, due diligence instructions, the Mortgage Loan Aggregate Database (Excel file disk), the Loan Sale Agreement, post-sale servicing requirements and general information about FHA.

To become a Qualified Bidder and receive the bid package, prospective bidders must submit a completed Confidentiality Agreement and Qualification Statement. Both documents are available on the FHA Multifamily and Healthcare Loan Sale page at:

www.hud.gov/fha/comp/asset/mfam/mhls.html

The executed Confidentiality Agreement and Qualification Statement should be mailed and faxed to:

Secured Capital Corp
11150 Santa Monica Blvd., Suite 1400
Los Angeles, CA 90025

Attention: R. Mark Williams
FHA MHLS 2000-1
Facsimile: (310) 477-3436

Qualified Bidders will receive a password that will permit them to access the bid package through the FHA MHLS 2000-1 website. For those Qualified Bidders who wish to receive a hard copy of the bid package overnight, please provide your overnight courier account number with your request.

All questions related to the bid package or the Mortgage Loan Aggregate Database should be directed to:

Secured Capital Corp
R. Mark Williams (310) 477-9600
Daniel H. Lissner (212) 319-8600
e-mail: hud@securedcapital.com

Secured Capital Corp
Transaction Specialist

11150 Santa Monica Blvd. 400 Park Ave.
Suite 1400 14th Floor
Los Angeles, CA 90025 New York, NY 10022
310-477-9600 212-319-8600
310-477-3436 Fax 212-319-7373 Fax



FEDERAL HOUSING
ADMINISTRATION

Announces the

MULTIFAMILY AND HEALTHCARE
LOAN SALE 2000-1

\$800,000,000
Performing and Nonperforming
National Loan Sale

Secured Capital Corp
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ON-GOING SALES PROGRAM

The FHA Asset Sales program began in 1994 and to date has resulted in 14 successful sales of loans. FHA is pleased to announce the latest multifamily and healthcare loan sale initiative.

BIDDING STRUCTURE

For bidding purposes, the portfolio will be divided into mortgage loan pools based on loan performance status, property type and/or geographic location.

Qualified Bidders may submit bids for any of the individual loans, any pool of mortgage loans, all-or-none bids for any combination of the mortgage pools or an all-or-none bid for the aggregate portfolio.

DUE DILIGENCE INFORMATION

The bid package will include a Mortgage Loan Aggregate Database (Excel file disk) that will contain certain summary information on the attributes of each mortgage loan, to the extent available, including note and collateral information, summary of historical property operating income, payment status and estimated annual asset cash flows.

Qualified Bidders may order a Due Diligence Information Package (DIP) on CD at an estimated cost of \$500 for the portfolio. To the extent available, the CD package will contain the following due diligence information for each loan:

- Asset Summary Report of the Loan Documents, Collateral Files and Recent Third-Party Reports
- Underwriting Analysis and Estimated Cash Flows
- Recent Site Inspection with photographs of the Property and the rental and sale comparables, if available.

Qualified Bidders may also order the complete Asset Review Files on CD for any or all of the mortgage loan pools at a cost of \$15 per CD. The Asset Review File CDs will contain all of the information in the DIP CD ***plus*** the following information for each loan:

- Abstract of the Loan Documents, Collateral Files and Recent Third-Party Reports
- Complete copy of the Loan Documents and Collateral Files, including legal documents, property operating statements, servicing information and relevant correspondence
- Recent Third-Party Reports including a Phase I Environmental, a Property Needs Assessment (property condition report) and a Title Abstract

To order the DIP and Asset Review Files please contact:

Secured Capital Corp
R. Mark Williams (310) 477-9600
Daniel H. Lisser (212) 319-8600
e-mail: hud@securedcapital.com

DUE DILIGENCE FACILITY

Qualified Bidders may view the imaged Asset Review Files via a computer network system at the due diligence facility in Washington, DC. The due diligence facility is scheduled to be open from October 25, 2000 to November 28, 2000.

Qualified Bidders are required to schedule an appointment in advance before they may visit the facility. Appointments may be scheduled by contacting:

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11150 Santa Monica Blvd., Suite 1400
Los Angeles, CA 90025

R. Mark Williams (310) 477-9600
Daniel H. Lisser (212) 319-8600
e-mail: hud@securedcapital.com

The due diligence procedures and materials are further described in the bid package and are subject to any limitations, disclaimers or restrictions set forth therein.

DISCLAIMER

Neither HUD, FHA, Secured Capital Corp, nor any of their respective affiliates, contractors, subcontractors, directors, officers, partners, employees, counsel, advisors or agents make any representation or warranty, whether express, implied or by operation of law, as to the accuracy or completeness of the information contained herein or made available to prospective bidders in connection with FHA MHLS 2000-1 and no legal liability with respect thereto is assumed or may be implied.

Secured Capital Corp has acted solely as Transaction Specialist to FHA and has not audited or independently verified any portion of the financial information contained herein or made available to bidders in connection with FHA MHLS 2000-1. No person has been authorized to make any written or oral representation as to the accuracy or completeness of the information contained or the materials referred to in this announcement and, if given or made, must not be relied upon. The purchase of mortgage loans involves risk and prospective bidders should, along with their advisors, undertake such investigation, as they deem advisable to evaluate the risks associated with such purchase.

This announcement is not an offer to sell or a solicitation of an offer to buy mortgage loans. Information concerning the mortgage loans will be furnished only to, and bids will be accepted only from, bidders who certify that they have such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks and who certify that they have the resources to bear the risks of a purchase of the mortgage loans. Except as otherwise expressly provided in the Loan Sale Agreement, the mortgage loans are being sold “as is,” “where is,” “with all faults,” and without any recourse whatsoever.